

FIGURE 1-1

## Total Wireline Card Calling Services Market: Revenue Forecasts (U.S.), 1996-2006

| Year              | Post-Paid<br>(\$ Billion) | Prepaid<br>(\$ Billion) | Total<br>Revenues<br>(\$ Billion) | Revenue<br>Growth Rate<br>(%) |
|-------------------|---------------------------|-------------------------|-----------------------------------|-------------------------------|
| 1996              | 6.17                      | 0.73                    | 6.90                              | ---                           |
| 1997              | 6.59                      | 1.20                    | 7.79                              | 12.9                          |
| 1998              | 6.84                      | 1.89                    | 8.73                              | 12.1                          |
| 1999              | 7.00                      | 2.70                    | 9.70                              | 11.1                          |
| 2000              | 6.99                      | 3.26                    | 10.25                             | 5.7                           |
| 2001              | 6.85                      | 3.77                    | 10.62                             | 3.6                           |
| 2002              | 6.72                      | 4.12                    | 10.84                             | 2.1                           |
| 2003              | 6.53                      | 4.43                    | 10.96                             | 1.1                           |
| 2004              | 6.34                      | 4.68                    | 11.02                             | 0.5                           |
| 2005              | 6.03                      | 4.87                    | 10.90                             | (1.1)                         |
| 2006              | 5.73                      | 4.98                    | 10.71                             | (1.7)                         |
| CAGR (1999-2006): | (2.5)                     | 7.9%                    | 1.2%                              |                               |

Key: CAGR = Compound Annual Growth Rate

*Note: All figures are rounded; the base year is 1999. Source: Frost & Sullivan*

The key drivers for the U.S. card calling services market are:

- Increased card promotion and distribution of prepaid cards through retail channels.
- Convenience of calling card use from transient locations.
- Increase in mobile workforce and business travelers.

Some of the leading restraints for this market include:

- Substitution of card calling by wireless telephony, both pre and post paid.
- Downward price pressure restrains revenue growth potential.
- Federally mandated pay telephone per call surcharge.

FIGURE 5-10

## Post-Paid Wireline Card Calling Services: Market Share Analysis (U.S.), 1997-1999

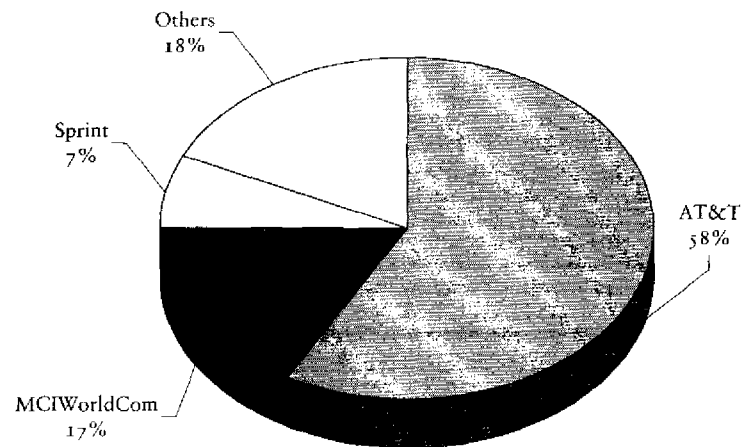
| Company     | 1997<br>(%) | 1998<br>(%) | 97/98<br>Change | 1999<br>(%) | 98/99<br>Change |
|-------------|-------------|-------------|-----------------|-------------|-----------------|
| AT&T        | 59          | 63          | 4               | 58          | (5)             |
| MCIWorldCom | 23          | 18          | (5)             | 17          | (1)             |
| Sprint      | 11          | 8           | (3)             | 7           | (1)             |
| Others      | 7           | 11          | 4               | 18          | 7               |
| TOTAL       | 100         | 100         |                 | 100         |                 |

Others include Access International, Aliant Communications, American Express, Ameritech Corporation, Amnux Incorporated, Bell Atlantic Corporation, Bell South Corporation, Cable & Wireless, Cincinnati Bell, ClearTel Communications, Cognigen, Farmers Telephone, GTE Corporation, Gulf Telephone Company, ITXC Corporation, Peoples Telephone Co., Qwest, SBC Communications, Smart Choice Long Distance Incorporated, Southern New England Telephone, TDS Telecom Inc., TotalTel, and U S West.

*Note: All figures are rounded; the base year is 1999. Source: Frost & Sullivan*

CHART 5.3

## Post-Paid Wireline Card Calling Services: Market Share Analysis (U.S.), 1999



Others include Access International, Aliant Communications, American Express, Ameritech Corporation, Amnux Incorporated, Bell Atlantic Corporation, Bell South Corporation, Cable & Wireless, Cincinnati Bell, ClearTel Communications, Cognigen, Farmers Telephone, GTE Corporation, Gulf Telephone Company, ITXC Corporation, Peoples Telephone Co., Qwest, SBC Communications, Smart Choice Long Distance Incorporated, Southern New England Telephone, TDS Telecom Inc., TotalTel, and U S West.

*Note: All figures are rounded; the base year is 1999. Source: Frost & Sullivan*

FIGURE 6-12

## Prepaid Wireline Card Calling: Market Share Analysis (U.S.), 1997-1999

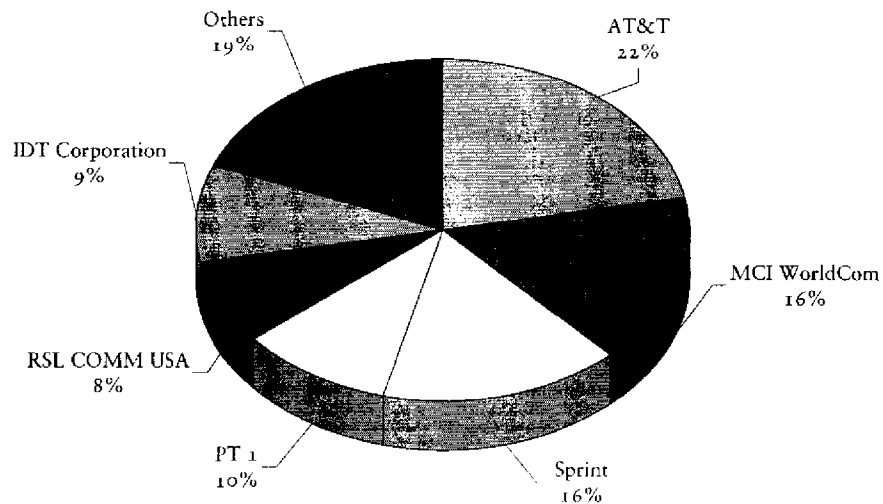
| Company         | 1997<br>(%) | 1998<br>(%) | 97/98<br>Change | 1999<br>(%) | 98/99<br>Change |
|-----------------|-------------|-------------|-----------------|-------------|-----------------|
| AT&T            | 25          | 21          | (4)             | 22          | 1               |
| MCI WorldCom    | 24          | 22          | (2)             | 16          | (6)             |
| Sprint          | 22          | 18          | (4)             | 16          | (2)             |
| PT 1            | 9           | 10          | 1               | 10          | 0               |
| RSL COMM USA    | 2           | 6           | 4               | 8           | 2               |
| IDT Corporation | 2           | 8           | 6               | 9           | 1               |
| Others          | 16          | 15          | (1)             | 19          | 4               |
| TOTAL           | 100         | 100         |                 | 100         |                 |

Others include Alliance Systems Ameritech, ATCALL Inc., Bell Atlantic, BellSouth, Blackstone Calling Card, Cable & Wireless, Communitel, GE Exchange, Global Phone Card Company, DeltaThree, IDT Corporation, Net2Phone, Quest, SBC Communications, U S West, and VoCall.

*Note: All figures are rounded; the base year is 1999. Source: Frost & Sullivan*

CHART 6.3

## Prepaid Wireline Card Calling: Market Share Analysis (U.S.), 1999



Others include Alliance Systems Ameritech, ATCALL Inc., Bell Atlantic, BellSouth, Blackstone Calling Card, Cable & Wireless, Communitel, GE Exchange, Global Phone Card Company, DeltaThree, IDT Corporation, Net2Phone, Quest, SBC Communications, U S West, and VoCall.

*Note: All figures are rounded; the base year is 1999. Source: Frost & Sullivan*